

**GOVERNMENT OF ANDHRA PRADESH**  
**ABSTRACT**

Department of Mines and Geology – Introduction of Slab System for Payment of Seigniorage fee by the Stone Cutting and Polishing Industry and Napa Slab Units in the State to avoid leakage of mineral revenue and also to facilitate simple procedures in realization of revenues for a period of 2 years on experimental basis – Orders – Issued.

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INDUSTRIES AND COMMERCE (MINES.I) DEPARTMENT

G.O.Ms.No. 82

Dated:01-03-2009.

Read the following:

1. From A.P. Small Scale Granite Industries Association, representation dated 17.12.2007.
2. From the Director of Mines and Geology, Hyderabad, C.No.45446MR/2007, dt.26.3.2008.

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**O R D E R:**

In the representation 1<sup>st</sup> read above the A.P. Small Scale Granite Industries Association has requested to simplify the mineral revenue collection system by introducing slab rate system that will improve the Government revenue.

2. The Director of Mines and Geology, Hyderabad, has submitted proposals in the reference 2<sup>nd</sup> read above, for introduction of slab system for payment of Seigniorage fee by the Stone cutting and Polishing Industry and Napa Slab Units in the State, for switching over to the collection of Seigniorage Fee at Processing plants in respect of small scale units to avoid leakage of mineral revenue and also to facilitate simple procedures in realization of revenues which is industrial friendly. The Director of Mines and Geology has requested the Government to accept the proposals for issuing necessary amendments to A.P. Minor Mineral Concession Rules 1966 and also APMDR 2000.

3. The Director Mines &Geology has further stated that definitely there will be an increase in mineral revenue realization, due to introduction of Slab System in respect of Granite and Napa Slabs and all the industries in the State will come into the fold of Seigniorage Fee payment under slab system. The Mineral is widespread in the entire State, therefore, regulating at the outlets of the industries is more convenient than regulating the activity at the actual quarrying field.

4. The Director of Mines and Geology has stated that even though the anticipated increase is 35% in respect of granite, 40% in respect of Napa Slabs, it is sure that 50% of increase will be achieved, once this system is introduced. Further, since, they have proposed for ceiling on finished products also it is likely to get additional revenue in case they are dispatching over and above the minimum quantities prescribed. This will facilitate the industry to pay revenue without much harassment.

5. Government after careful examination of the matter hereby decided to introduce Slab System, for payment of Seigniorage fee by the Stone Cutting and Polishing Industry and Napa Slab Units in the State to avoid leakage of mineral revenue and also to facilitate simple procedures in realization of revenue for a period of 2 years on experimental basis.

6. Considering the above submissions made, keeping in view of the request of the industry and also for realization of more revenue to the State Exchequer, introduction of slab system for collection of mineral revenue in respect of granite cutting and polishing industry and also Napa slab industry, which is labour intensive and providing lot of employment to the rural labour, the proposal of the Director of Mines and Geology is considered with the following criteria.

- i). All cutting and polishing units in the State which are operating by using 2/2.5 metre diameter circular saw for cutting granite blocks into slices varying in thickness from 16 mm to 20 mm or beyond with supporting number of polishing units be considered for levy of Seigniorage fee @ Rs.14,000/- per unit per month.

- ii). Such units may be permitted to bring granite blocks from quarries either from their stone quarries or from other quarries by facilitating them transportation of granite blocks on the way bills issued by the Department without payment of Seigniorage fee at the quarry site since payment is collected at processing site.
- iii). Considering possible misuse of such way bills, a ceiling of 16 CUM per month is fixed for each industry which is possessing single slice cutting unit and in case the industry possess more units proportionately the quantum gets increased.
- iv). A ceiling upto 400 Sq . Mtrs per month per each slice cutting granite is fixed. In the event, they want to transport over and above the said quantity, they shall pay by computing additional Seigniorage fee @ Rs.50/- per Sq.Mtr of finished product on raw blocks.
- v). In respect of tile units which process small blocks of 75 x 35 x 35 cm size, they shall pay Seigniorage fee @ Rs.2500/- per each slice cutting machine per month. They will be permitted to obtain raw blocks from other quarries without payment of seigniorage fee at the quarry site. They will be issued transit forms to the extent of transporting 60 nos., of blocks of 75 cm X 35 X 35 cm, size each month and in case they are resorting to transport over and above the said number, they shall pay seigniorage fee @ Rs.40/- per each block of 75 cm X 35X35 cm size. They are permitted to transport finished product to the maximum extent of 180 Sq.Mtr per month. In case, they are transporting over and above the said quantity, they shall pay seigniorage fee @ Rs.15/- per Sq. Meter 10 mm thickness slab on granite block.
- vi). Similarly, in respect of napa slabs each slab polishing units consisting of one polishing machine shall pay @ Rs.1000/- per each polishing machine per month in respect of black colour slabs, Rs.1300/- in respect of white and other colours. They will be permitted to obtain raw material from the quarries by obtaining transit passes issued by the Department. However, there will be a ceiling for issue of transit forms to the extent of 400 Sq. Meter per month for each polishing machine. In case they intend to transport over and above the said quantity, they shall pay Seigniorage fee as prescribed in minor mineral rules. The said industry will be allowed to transport finished product to a maximum ceiling of 400Sq.Mtr per month per one polishing machine. In case they intend to transport over and above this quantity, they shall pay Seigniorage fee as prescribed in APMMC Rules 1966.
- vii). No request from the processing units will be entertained saying about the temporary stoppage of the unit. However, in case the unit is sick for a period exceeding six months they may represent with the documentary evidence to the Assistant Director of Mines and Geology concerned duly paying a fee of Rs.1000/- and on receipt of such application, the Department will cause necessary enquiry and the Regional DDM&G, who is the competent authority for issue of Dealers license, will on merit consider the request and pass orders treating the unit as sick with effect from the date on which the unit has become sick according to the enquiry of the Department. On such passing of the orders only such units shall not be required to pay the slab rates prescribed.
- viii). In case sick units are revived, they shall immediately within 15 days from the date of revival shall re-register the said units before the competent authority to levy Seigniorage fee at the rates prescribed with one time penalty on slab rate.
- ix). It is the responsibility of each cutting and polishing unit in the State to register before the competent authority or else demand will be raised from such units imposing slab rates fixed under these rules with one time penalty. In the event of default of the payment of penalty, the ADM&G concerned or ADM&G (Vigilance) or any other officer above the rank of ADM&G will be competent to seize such unit from its operation by duly recording panchanama. On such seizure, it is the responsibility of the industry concerned to safeguard its machinery by keeping a watchman and the department will not take any responsibility for the machinery and any other equipment present in the industry or damage to the civil structures of the industry.

- x). The general penal provisions of APMMC Rules, 1966 and A.P.M.D.Rules 2000 are applicable in case there are any violations of the above rules, which are not specifically covering herein.
7. Further Government have decided to extend the following:
- i) Proposed to levy of 1 to 2 times penalty so as to reduce hardships to the industry and to cut down the number of revision cases coming up before the Government.
  - ii) To levy penalty on any excess transportation of minerals which are in transit over and above 10% with one time penalty instead of levying 5 times penalty on entire quantity involved in transportation.
  - iii) To extend concession of 40% seigniorage fee for stone cutting and polishing industry and Napa Slab Units in the State in the existing rates of seigniorage fee for a period of one year and 20% for second year in order to avoid complete closure of industry/quarries which will have cascading effect on employment engaged in such industries / quarries. Similarly, in view of the agitation by the entire industry in the State, Government consider to extend a concession of 40% on the proposed slab rate system for a period of one year and 20% for second year.
  - iv) To sub-divide the gang saw size block into 2 categories i.e. above 300 cm X 180 cm (Super Gang Saw) and below 300 cm X 180 cm, and above cutter size (mini gang saw size) duly levying a rate in between present cutter size and present Gang saw size in respect of Mini Gang Saw size block.
8. The Slab System shall be implemented for period of (2) years on experimental basis and basing on impact on the revenue; the Government shall review and pass appropriate orders whether to continue the system or to switch over to the old system.
9. Necessary amendments to APMMC Rules 1966 and also APMD Rules 2000 shall be issued separately.
10. The Director of Mines and Geology, Hyderabad, shall take necessary action and to send necessary proposals for amendments to APMMC Rules 1966 and APMD Rules for further action.
11. This order issues with the concurrence of Finance (Expr. I&C) Department, vide their U.O.No.2955/09/Expr.I&C/09, Dated:26.02.2009.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

Y. SRILAKSHMI  
SECRETARY TO GOVERNMENT

To  
The Director of Mines and Geology, Hyd.  
Copy to:  
The VC&MD., APMDCLtd., Hyd.  
All the District Collectors.  
The AGAP., Hyderabad.  
The PAO, Hyderabad.  
All the DTOs.,  
The P.S. to Prl. Secy. to C.M.  
The P.S. to Chief Secretary to Government  
The P.S. to Hon'ble M(Mines and Geology).  
The Finance (Expr. I&C )Department  
The A.P. Small Scale Granite Industries Association, Hyderabad.  
The P.Ss. to Prl.Secy. & CIP, Ind & Com. Dept.  
The P.S. to Secy. to Govt., Ind & Com. Dept.  
SF/SC.

// Forwarded:: By Order//

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